

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1770 – SB 2161

March 2, 2018

SUMMARY OF ORIGINAL BILL: Prohibits candidates for state and local office from loaning more than \$100,000 to their own campaigns per election and from charging interest on any loan made by the candidate to their own campaign.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013196): Deletes language of the original bill which would prohibit candidates for state and local office from loaning more than \$100,000 to their own campaigns per election.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- The proposed legislation would prohibit the charging of interest on any loan made by a candidate to their campaign.
- Violation of this prohibition will be a class two offense, punishable by a civil penalty up to \$10,000 or 115 percent of the amount of funds invested in violation of the proposed requirements.
- Pursuant to Tenn. Code Ann. § 2-10-110(b), any penalties imposed are deposited into the state General Fund.
- Pursuant to Tenn. Code Ann. § 2-10-110(a)(2)(A), candidates who are in violation of other class two offenses have up to 10 business days following notification by the Tennessee Registry of Election Finance to correct omissions on campaign finance disclosure forms to avoid assessment of the penalty.
- Any candidate, upon being notified of a violation, will correct errors prior to being assessed a penalty; therefore, any increase in state revenue is estimated to be not significant.

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- The proposed campaign finance prohibition will not result in any significant fiscal impact to state or local government.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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